

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

18 September 2024

Unprecedented and Simultaneous attack on Hezbollah in Lebanon. Von der Leyen unveils the New EU Commission.

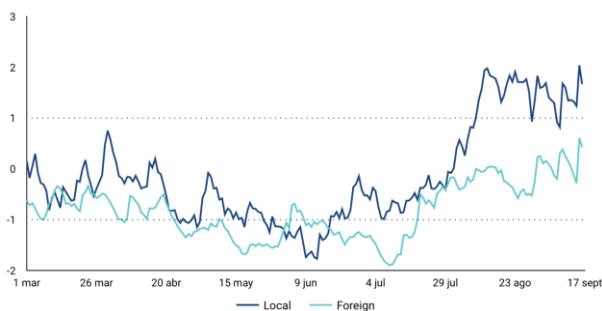
Hezbollah Pagers Explode in Apparent Attack Across Lebanon: Pagers carried by thousands of Hezbollah operatives exploded simultaneously, resulting in the deaths of eight people and injuring over 2,700. The pagers affected a new shipment of pagers that Hezbollah recently acquired. The cause of the explosions is still unclear, with some speculating that malware might have triggered the devices. Hezbollah and the Lebanese government blamed Israel for the attack, although the Israeli military has not commented on the incident. The blasts occurred across several Hezbollah-dominated regions. The attack has heightened concerns about escalating tensions along the Lebanese-Israeli border ([link](#)).

Von der Leyen unveils the new EU Commission: Ursula von der Leyen has allocated key industrial and economic roles in the European Commission, Italy, France, and Spain (Terresa Ribera will lead the Green and Competitiveness agenda) The focus of her new five-year term will be to boost the EU's competitiveness and economic growth, especially in response to warnings from Mario Draghi about the EU's lagging position relative to the US economy. The appointed commissioners from these nations will oversee antitrust regulation, state aid policy, and industrial strategy, and will aim to modernize and simplify rules to accelerate green investments. However, while economic priorities shift, von der Leyen emphasized that climate change remains central to the EU's agenda ([FT](#)).

The BBVA Monitor: political tensions in the high-risk area in Venezuela and increasing in Spain

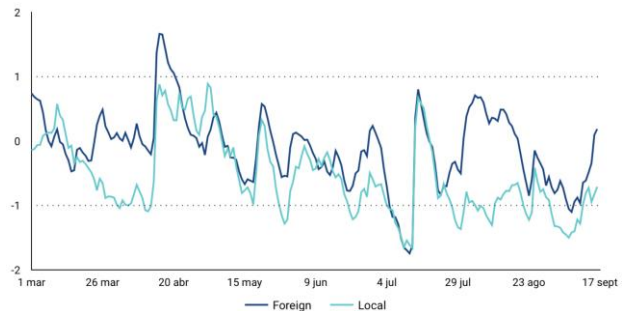
- **Political and geopolitical tensions** indicators continued in the high-risk area in **Venezuela** (Fig 1 and Fig 3). In the case of the **US**, the second apparent assassination attempt on Trump and his claims against the opposition increased the **political tensions index** (Fig 2). The indicator rose in **Spain** too during the last week (Fig 3).
- The **Russia-Ukraine** war continued far from being solved and attacks and cross-border tensions intensified this week, keeping the **Geopolitical risk and conflict** indices in the high-risk area and worsening bilateral tensions indicators (Fig 3 and Fig 5). **Social unrest** in the **Middle East** remains the main hot spot with the latest attack of Hezbollah pagers (Fig 3).
- In **Latin America**, **protest indicators** increased in Venezuela and Argentina (Fig 4).

Fig1. **POLITICAL TENSIONS: VENEZUELA PRESS**
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig2. **POLITICAL TENSIONS: UNITED STATES PRESS**
(28-day weighted moving avg, normalized by its own history)



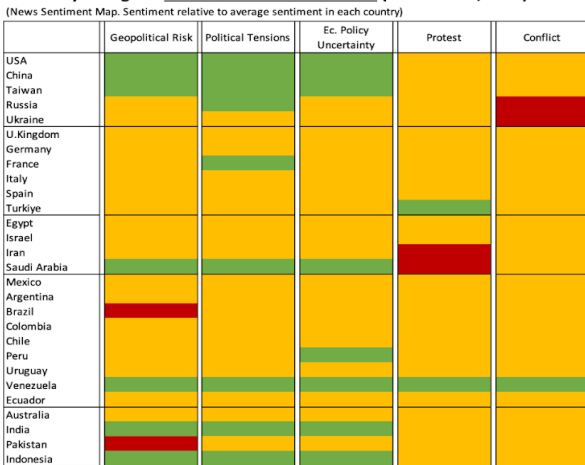
Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

Fig3. BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES

(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)

Summary of Signals Before Hamas-Israel Conflict (October 5th, 2023)



Source: BBVA Research



Summary of Signals After Hamas-Israel Conflict (September 17th, 2024)

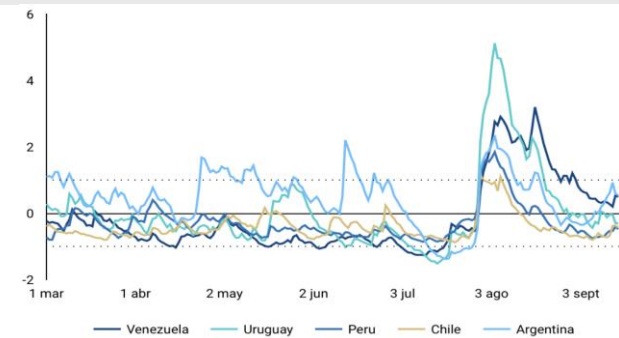


Source: BBVA Research



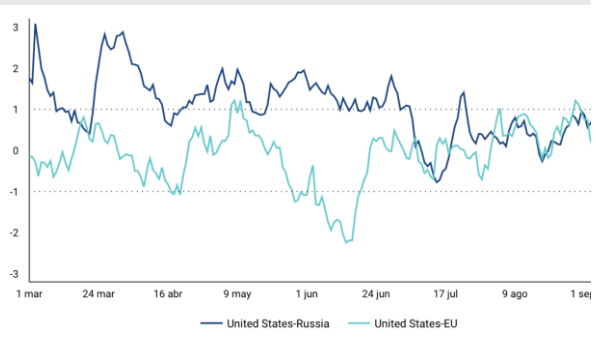
Source: BBVA Research and www.qdelt.org

Fig4. PROTEST INTENSITY INDEX: AR, CI, PE, UY, VE
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. BILATERAL TENSIONS: USA-EU & USA-RUSSIA
(28-day weighted moving avg, normalized by its own history)

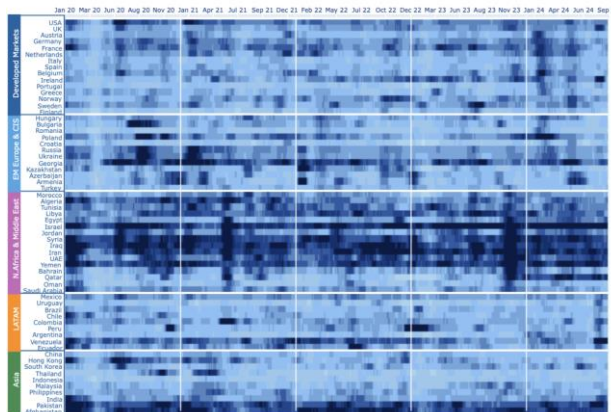


Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

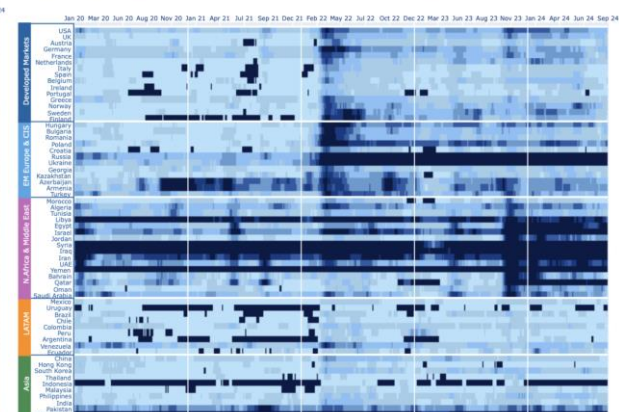
Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS

(Evolution of Protest and Conflict over time by regions)

BBVA Research Protest Intensity Index Heatmap
(28 days moving average, normalized index. Dark blues mean higher values, light blues mean lower values)



BBVA Research Conflict Intensity Index Heatmap
(28 days moving average, normalized index. Dark blues mean higher values, light blues mean lower values)



Source: BBVA Research and www.qdelt.org

Methodological annex: indicators' construction

We have developed a daily tracker with weekly updates to monitor protest and conflict indicators for every country in the world from 2019 to present day. To construct this, we use a rich 'big database' of international events (GDELT), created by Leetaru and Schrodtt (2013). GDELT is an open-source database that extracts and parses digital news monitoring world events covered by news media from nearly every corner of the world, whether broadcast, printed, or published on the web, in over 100 languages, every moment of every day, updated every 15 minutes. Thus, it contains a comprehensive and high-resolution catalog of geo-referenced events and themes.

Using different dictionaries, several thousands of taxonomies and themes are identified in the news pieces to classify the information. The algorithms used by GDELT also identify emotions, organizations, locations, news sources, and events across the world as well as their average sentiment using Natural Language Processing (NLP) techniques and the lexicon approach.

The included indicators are:

- Geopolitical Risk: or sentiment (weighted by coverage) of the country's geopolitical risk perception.
- Political Tensions: or sentiment (weighted by coverage) of the country's political tensions.
- Economic Policy Uncertainty or sentiment (weighted by coverage) about the country's economic policy uncertainty, also disaggregated by media origin.
- Protests or coverage regarding social protests or unrest in the country.
- Conflict or coverage of armed conflicts, which go beyond verbal protests.
- Bilateral Tensions or the sentiment (weighted by coverage) between a specific pair of countries that appear together in the news article (plus NATO and EU).

The indicators track the evolution of tensions and are normalized by their country's history since 2019, thus they are all expressed in terms of standard deviations from their historical patterns. Indicators usually lie within the range [-1,1]. Therefore, when the values exceed one (the upper boundary of the range), this means escalating tensions. While it's possible to observe simultaneous tensions arising in multiple countries (for example, due to geopolitical events affecting several nations, as seen in some of our heatmaps), using these indicators for direct quantitative comparisons of risk levels between countries is not recommended.

We apply a weighted moving average of 28 days (to include four complete weeks with the same number of days of the weeks) to reduce the noise of daily information and identify signals more clearly. The weights have been calculated using a discrete geometric distribution such that it puts more weight on recent data and less on past data (see Graph 1). Aggregating by weeks, the weight of the most recent week has a weight of 68%, the past week 22%, the previous 7%, and the fourth 3%. The weight of the 28 days can be seen in the following image. In such a way, the indicators reflect what has been happening in the last few days.

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